



E-NEWS from *Congresswoman Jennifer Dunn*

An electronic legislative update for June 13, 2002

Did you know?

- An estimated 559,251 couples in Washington State pay an average of \$1,400 more a year in income tax because of the “marriage penalty tax.”
- The marriage penalty forces 21 million American couples into a higher income tax bracket only because they are married.
- Last year’s Economic Growth and Tax Relief Reconciliation Act included a provision to repeal the marriage penalty tax. But similar to all other provisions included in the legislation, an arcane Senate rule forces all tax relief measures to sunset on December 31, 2010. This week, the US House will consider a bill to make permanent the repeal of the marriage penalty tax.



Friday, June 14 is Flag Day. President Woodrow Wilson officially established Flag Day in 1916. However, it was not until 1949 that President Truman signed an Act of Congress designating June 14 each year as National Flag Day.

What is going on this week?

HOUSE SCHEDULED TO CONSIDER BILL TO PERMANENTLY REPEAL MARRIAGE PENALTY TAX

The US House is scheduled to consider a bill to make permanent the recently approved repeal of the marriage penalty tax. As part of the Economic Growth and Tax Relief Reconciliation Act of 2001 signed into law last year, millions of couples were given relief from a tax code that virtually required them to pay higher income taxes just because they marry. This occurs because the merging of their two salaries thrusts the couple into a higher tax bracket. Similar to all provisions of that law, however, the repeal of the marriage penalty tax expires on December 31, 2010. The marriage penalty tax repeal increases the standard deduction for married couples to twice the deduction for single taxpayers and it expands the 15 percent tax bracket so that more married couples pay taxes under this rate rather than the higher 28 percent bracket.

THE HOUSE PASSES THE CONSUMER PRODUCT PROTECTION ACT OF 2001

The US House has approved a bill to criminalize the placement of any unauthorized material in consumer product packages before their sale to customers. Over the past few years, adults and children throughout the country have been subjected to violent, racist and obscene material placed in consumer products such as cereal boxes or macaroni and cheese boxes. Kraft Foods has reported over 100 incidents in the past 5 years. Under current federal law however, tampering with the product's packaging is not illegal. The Consumer Product Protection Act of 2002 prohibits the placement of any writing or other material inside a consumer product without the permission of the manufacturer, retailer or distributor.

THE TAX LIMITATION CONSTITUTIONAL AMENDMENT SCHEDULED TO BE CONSIDERED BY THE US HOUSE

The US House is scheduled to consider a bill to amend the US Constitution to require that two-thirds of the House and Senate approve any legislation increasing taxes, with the exception of when the nation is at war. Currently, 14 states have tax limitation provisions.

What we did last week:

US REP DUNN LEADS EFFORT TO MAKE DEATH TAX REPEAL PERMANENT; HOUSE APPROVES LEGISLATION

A bill to make permanent the recently enacted "death tax" repeal, was passed by the US House by a vote of 256-171. Jennifer authored the legislation to repeal the death tax and she worked to include the provision as part of the Economic Growth and Tax Relief Reconciliation Act of 2001 which was signed into law one year ago by President Bush. She also led the floor debate that resulted in approval of the measure. A Senate rule, however, causes the death tax to reappear after December 31, 2010. Jennifer again led two hours of floor debate on the bill considered by the US House last week. This bill would make the repeal of the death tax permanent so that families who own small businesses and farms can plan for their futures with predictability. Last week's vote followed the recent House approval of a bill to make permanent all provisions of the 2001 tax relief bill.

HOUSE APPROVES BILL MAKING ADOPTION TAX CREDIT PERMANENT

The US House has approved a bill to make permanent the recently enacted adoption tax credit. The Economic Growth and Tax Relief Reconciliation Act of 2001 included a provision to help ease the financial burden of adoption so that children can be placed in permanent homes more quickly. Specifically, it increases the adoption tax credit from \$5,000 to \$10,000 and increases from \$75,000 to \$150,000 the maximum income families can earn annually to qualify for the tax credit. A Senate procedural rule, however, forces the adoption tax credit to expire after December 31, 2010. This legislation repeals the sunset, making the adoption tax credit permanent.

HOLOCAUST RESTITUTION TAX FAIRNESS ACT PASSED BY US HOUSE

The US House approved a bill to make permanent tax exemptions on monetary compensation awarded to Holocaust survivors. The Economic Growth and Tax Relief Reconciliation Act of 2001 prohibits the IRS from imposing a tax on the dollars Holocaust survivors receive as compensation for time spent in prison camps. But similar to all tax relief provisions of the 2001 bill, the exemption sunsets after December 31, 2010. This legislation will make permanent the exemption to Holocaust survivors so that those who suffered at the hands of the Nazis will not be forced to share their modest payments with the government.

Summary of Press Releases:

US REP JENNIFER DUNN CO SPONSORS WILD SKY WILDERNESS LEGISLATION; *Dunn Offers Support to Larsen/Murray Legislation*

Congresswoman Jennifer Dunn announced that she will co-sponsor HR 4844, the "Wild Sky Wilderness Act." The bill designates 106,000 acres in Mt. Baker-Snoqualmie as wilderness area. Congresswoman Dunn released the following statement regarding HR 4844: *"Protecting the natural beauty of the Pacific Northwest is a value that each of us shares. As a life-long Washingtonian, I appreciate the importance of maintaining our most treasured forests in their natural state..."*

"My colleagues Sen. Patty Murray and Rep. Rick Larsen recently introduced a bill to create a vast new wilderness in the Mt. Baker - Snoqualmie National Forest. I believe that such an effort will further enhance the protection of some of our most beautiful forestland while still allowing for recreational use of the property."

"Over the last two days, I have received letters from some [participants in the agreement] who believe that the introduced bill does not reflect the spirit of the agreements made among the parties. This concerns me since I believe the most successful conservation efforts are those in which differing interests can come together to preserve our natural treasures. I will work closely with those who proposed the legislation and those who have outstanding concerns to make sure their concerns are met. In the meantime, I have decided to add my name as a cosponsor to this effort. I believe the process of collaborative conservation must never end if we are to protect the natural beauty of the Pacific Northwest while solving some of the most complex public policy issues we face as Washingtonians."

The bill satisfies her concerns regarding private property issues and usage issues such as those of hunters, fishermen, snowmobilers, hikers and horse back riders.